VZCZCXRO9515
RR RUEHHM
DE RUEHHI #0482/01 1160918
ZNR UUUUU ZZH
R 250918Z APR 08 ZDK
FM AMEMBASSY HANOI
TO RUEHC/SECSTATE WASHDC 7696
INFO RUEHHM/AMCONSUL HO CHI MINH 4642

UNCLAS SECTION 01 OF 02 HANOI 000482

SENSITIVE SIPDIS

E.O. 12958: N/A

TAGS: PHUM PGOV KCOR KPAO SOCI PREL VM

SUBJECT: EXPANDING HANOI'S JURISDICTION HIGHLIGHTS VIETNAM'S TOP-DOWN DECISION-MAKING CULTURE

Summary

11. (SBU) The GVN's handling of the expansion of Hanoi municipality underscores the fact that, despite recent talk of decentralization, decision-making in Vietnam remains very much a top-down affair. As Hanoi's explosive growth continues, the Communist Party of Vietnam has initiated a jurisdictional reorganization aiming to empower Hanoi municipal authorities to direct development to outer areas of the city. The 14-member Politburo broached the idea of expanding Hanoi in late 2006 and "guided" the Government as the latter worked on details. Support from Party officials and people in the areas that will join Hanoi made reaching consensus easier and helped propel the proposal forward. End Summary.

12. (SBU) The Communist Party of Vietnam (CPV) has decided to enlarge Hanoi's municipal jurisdiction to include parts of neighboring Vinh Phuc and Hoa Binh Provinces and all of Ha Tay Province to help ease movement of central government offices to areas beyond the center of the city and facilitate implementation of large-scale projects such as a high-tech corridor, a national university complex and a national culture and tourism complex. With a steady stream of villagers coming to the capital and its environs to find work, the Party also wants Hanoi authorities to direct housing and infrastructure development toward outer areas of the city.

How the Party Decided

- 13. (SBU) The CPV's 14-member Politburo reportedly broached the idea of expanding Hanoi's jurisdiction soon after the 10th Congress in 12006. The Party's 160-member Central Committee (CC) then took up the idea, discussing it in general terms at its semi-regular plenary meetings. In early 2007, the CC provided "guidance" to the Government on the plan, assigning the latter to work out the details. The Ministry of Home Affairs' (MOHA) Local Government Department (LGD) then decided on exact areas to fold into the capital and on how to incorporate Party officials in the affected areas into a new Hanoi governing structure.
- 14. (SBU) Under the LGD's reorganization plan, Ha Tay provincial Party and Government authorities will assume newly created deputy level positions in the new and larger Hanoi governing structure. The Ha Tay People's Committee Chairman, for example, will become one of several Hanoi People's Committee vice chairmen. Ha Tay officials holding deputy provincial Party positions will assume lower-level positions in the new structure. For their part, district and commune level Party and Government officials in Ha Tay, Vinh Phuc and Hoa Binh Provinces will continue in their positions, but will report up to a new Hanoi chain of command.

Rolling Over Weak Resistance

15. (SBU) Many officials in Ha Tay, Vinh Phuc and Hoa Binh supported the plan, arguing that the areas that will become part of Hanoi will benefit from the capital's socioeconomic policies. Others are happy because land prices in some of the annexed areas have spiked.

- 16. (SBU) Some Ha Tay provincial level officials expressed reservations about the plan because they will assume lower level positions in the new structure. Indeed some Ha Tay provincial officials even face the prospect that they will lose their jobs altogether; Vietnamese law stipulates the maximum number of deputies a province or municipality can have. Under the reorganization, Hanoi Party and GVN bodies will have more deputy positions than allowed by law. If the law is not amended, these Party authorities will lose their jobs.
- 17. (SBU) Ha Tay provincial authorities' efforts to scuttle the plan were unsuccessful largely because, once the Politburo signed off on it, officials at lower levels had no other choice but to accept it. In addition, Ha Tay Province has only one representative on the powerful CC, which took a final vote on the LGD's detailed plan at its last plenum (Ref. A). A contact at the National Assembly (NA) told us that the NA is scheduled to approve the LGD plan to expand Hanoi in late May. MOHA contacts, mean while, told us they expect an expanded Hanoi to become operational in early 2009.

Comment: Hanoi's Top-Down Political Culture Holds

18. (SBU) The Party's relatively quick work in devising and approving a plan to expand Hanoi's jurisdiction shows that, once Vietnam's top leaders decide on a major issue, the rest of the bureaucracy is likely to fall in line. Support from many people in the affected areas certainly helped Party officials reach consensus quickly and push the process forward. Decision-making on more controversial issues has proven to be more painstaking and time-consuming, but Vietnam's top-down political culture is not likely to change any

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time soon.

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